DEVELOPING NATURAL GAS INFRASTRUCTURE & MARKETS

NATURAL GAS FLOW
From Production to Consumption

Steps for Regulatory Reforms

Infrastructure Investment Incentives
• Cost/benefit analysis and risk assessment
• Regulatory certainty
• Transparent and consistent review, approval, and licensing process
• Long-term demand forecasts

Developing Wholesale and Retail Natural Gas Markets

**Day 0: Getting Started with a Wholesale Market**
- Multiple Sources of Gas Production/Fuel Source Diversity
- Unbundling of Gas Production from Transmission
- Unbundling of Transmission from Storage and Distribution
- Non-discriminatory/Open Access to Transmission Pipeline Capacity and Storage
- Common Reliability Standards (Network Code) for all Transmission Pipeline System Operators in the Region
- Natural Gas Quality Standard

**Day 1: Ramping Up a Wholesale Market**
- Price Transparency of:
  - Just and Reasonable Capacity Contracts on the Pipelines (Fully Regulated)
  - Natural Gas Commodity (Fully Deregulated)
- Trading Platform for Pipeline Capacity and Commodity

**Day 2 - Developing a Retail Market**
- Unbundling of Distribution from Retail Supply of Natural Gas
- Non-discriminatory/Open Access Retail Supply Tariff
- Clearly Defined Retail Supplier Certification Process (Financial, Technical, and Managerial Capability)
- End Users’ Choice of Retail Suppliers and Contract (Price/Term) Type
- Retail Market Monitoring and Mitigation against Anti-Competitive Marketing Practices

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